

DEPARTMENT OF ECOLOGY  
*Water Quality Program*  
*Memorandum*

September 27, 2018

**TO:** Operator Certification Rule Advisory Committee

**FROM:** Garret Ward, Budget Manager, Water Quality Program Department of Ecology

**SUBJECT:** Fee Structure Proposals

Rule Advisory Committee Members,

Attached is a summary of the Operator Certification Fee Structure proposals that we will review during our next RAC meeting on October 2, 2018. The attached summary provides a comparison of the proposals presented during our September 6<sup>th</sup> meeting, and those that we are now proposing, given the feedback we received.

Stemming from our September 6<sup>th</sup> meeting, Ecology revamped its funding model to address a number of the recommendations we heard. The two major changes we made were:

1. We inverted the historic fee structure, now placing more of the onus to fund the program on renewal fees vs. application fees. This change had a significant impact on the proposed fee structure, allowing the program to be fully funded, while keeping application fees more affordable.
2. In an effort to encourage and promote entry opportunities into the profession, we also modified the model to create a lower application fee for Group 1 and Group 1 operator in training applications.

The new proposal still shows the impacts on fees if we were to fully funding the program immediately, implement a 2-year phase in, or a 4-year phase in.

Ecology did model the impacts of a higher fee for reciprocity applications, and while we could still explore this option, a higher reciprocity app fee would have no impact on the other fee categories, but would increase the administrative costs to track an additional fee category.

Ecology also modeled the impacts of a higher fee for group 3-4 applications and renewals, and while we could still explore this option, having higher fees for groups 3-4 has a negligible impact on the fees still required for groups 1-2 (i.e. a \$15 increase to group 3-4 apps fees would only lower group 1-2 apps fees by \$5). This is because the majority of our operators are at groups 1-2 (69% of our applications and 59% of our renewals are for groups 1-2).

Thank you again for all your efforts and I look forward to seeing you all again on October 2<sup>nd</sup>.

# OpCert Fee Model Proposals

## September 6, 2018 RAC Meeting

### Current Fees

Application	\$ 50.00
Renewal	\$ 30.00

### Fully Funded Immediately (FY20)

Application	\$ 173.00
Renewal	\$ 103.00

### 2-Year Phase In (Fully Funded in FY22)

Application	\$ 176.00		
FY20 Fee	\$ 93.00	FY21 Fee	\$ 136.00
Avg. Yr. Increase	\$ 42.00		
Renewal	\$ 107.00		
FY20 Fee	\$ 56.00	FY21 Fee	\$ 82.00
Avg. Yr. Increase	\$ 26.00		

### 4-Year Phase In (Fully Funded in FY24)

Application	\$ 184.00		
FY20 Fee	\$ 77.00	FY21 Fee	\$ 104.00
FY22 Fee	\$ 131.00	FY23 Fee	\$ 158.00
Avg. Yr. Increase	\$ 27.00		
Renewal	\$ 110.00		
FY20 Fee	\$ 46.00	FY21 Fee	\$ 62.00
FY22 Fee	\$ 78.00	FY23 Fee	\$ 94.00
Avg. Yr. Increase	\$ 16.00		

## October 2, 2018 RAC Meeting

### Current Fees

Application	\$ 50.00
Renewal	\$ 30.00

### Fully Funded Immediately (FY20)

G1 and G1 OIT App	\$ 60.00
Group 2-4 App	\$ 75.00
Renewal	\$ 126.00

### 2-Year Phase In (Fully Funded in FY22)

G1 and G1 OIT App	\$ 60.00		
Group 2-4 App	\$ 76.00		
FY20 Fee	\$ 59.00	FY21 Fee	\$ 67.00
Avg. Yr. Increase	\$ 9.00		
Renewal	\$ 132.00		
FY20 Fee	\$ 64.00	FY21 Fee	\$ 98.00
Avg. Yr. Increase	\$ 34.00		

### 4-Year Phase In (Fully Funded in FY24)

G1 and G1 OIT App	\$ 60.00		
Group 2-4 App	\$ 78.00		
FY20 Fee	\$ 56.00	FY21 Fee	\$ 61.00
FY22 Fee	\$ 67.00	FY23 Fee	\$ 72.00
Avg. Yr. Increase	\$ 6.00		
Renewal	\$ 137.00		
FY20 Fee	\$ 51.00	FY21 Fee	\$ 73.00
FY22 Fee	\$ 94.00	FY23 Fee	\$ 116.00
Avg. Yr. Increase	\$ 21.00		

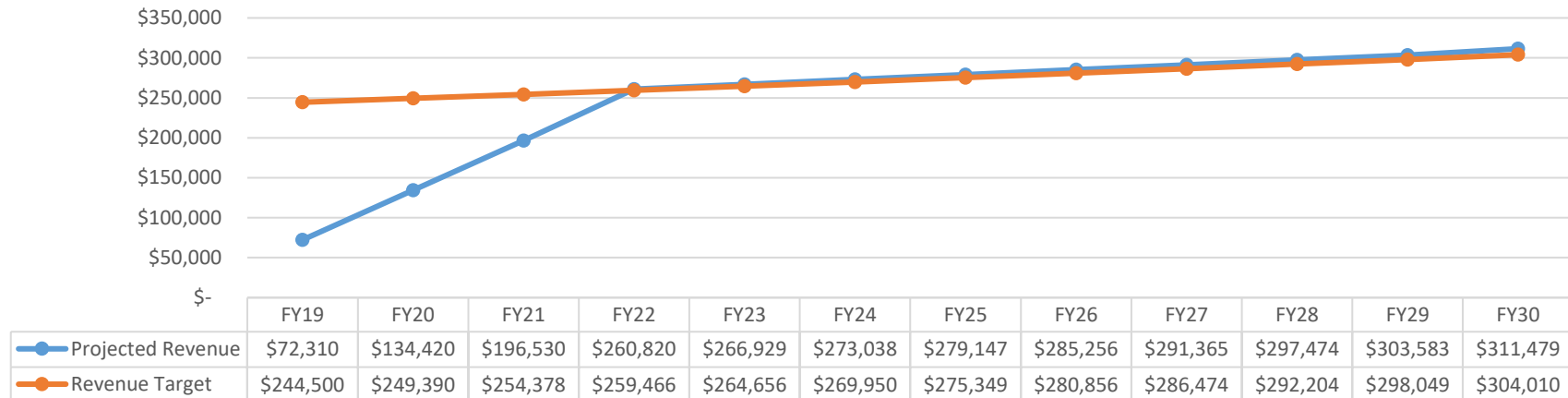
### Notes:

1. Per the RAC recommendation, the Oct. 2 proposal inverts the current fee structure, placing more of the funding burden on renewals vs. applications.
2. Per the RAC recommendation, the Oct. 2 proposal establishes a separate, lower fee for Group 1 and Group 1 operator in training applications, in order to encourage and promote entry into the profession.
3. Ecology modeled the impacts of a higher fee for reciprocity applications, and while we could still explore this option, given we only receive 12 applications per year, a higher reciprocity app fee would have no impact on the other fee categories, but would increase the administrative costs to track an additional fee category.
4. Ecology modeled the impacts of a higher fee for group 3-4 applications and renewals, and while we could still explore this option, because 69% of our applications and 59% of our renewals are for groups 1-2, a higher fee for groups 3-4 has a minimal impact on the fees required for groups 1-2 (i.e. a \$15 increase to group 3-4 apps fees would only lower group 1-2 apps fees by \$5).
5. Once the program is fully funded, the model assumes that fees will increase \$2-\$3 per year due to inflation.

## OpCert Fee Increases Phased In Over 2 Years

**Purpose:** To demonstrate what a phased-In fee increase could look like in order to fully fund the OpCert Program.

Revenue Needed to Sustain Program



### Fee Per Year

Category	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
G1 and G1-OIT Apps	\$ 50	\$ 50	\$ 50	\$ 60	\$ 62	\$ 64	\$ 66	\$ 68	\$ 70	\$ 72	\$ 74	\$ 76
G2-G4 Apps	\$ 50	\$ 59	\$ 67	\$ 76	\$ 78	\$ 80	\$ 82	\$ 84	\$ 86	\$ 88	\$ 90	\$ 92
Renewals	\$ 30	\$ 64	\$ 98	\$ 132	\$ 135	\$ 138	\$ 141	\$ 144	\$ 147	\$ 150	\$ 153	\$ 157

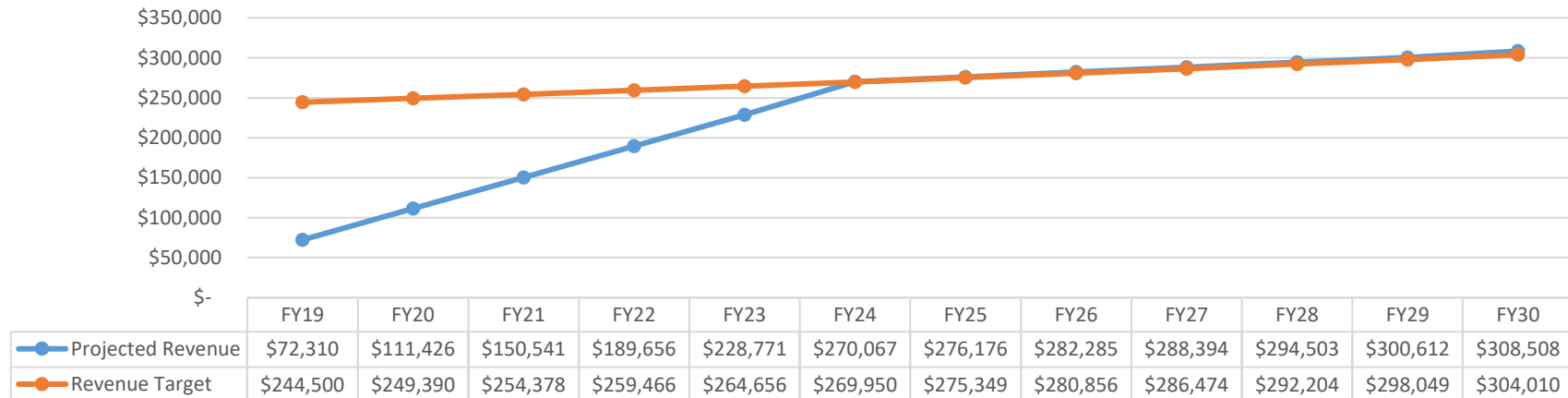
### Notes:

1. Wastewater Treatment Plant Operator Certification fees had been capped in statute at \$50 per application and \$30 per renewal since 1987.
2. Current fee revenue (~\$72,300) fails to recover the costs of the OpCert Program (~\$244,500) - a deficit of -\$172,200 per year.
3. Under this phased-in approach, the program would be fully funded in 2 years (1 biennia).
4. Under this approach, application fees would increase by an average of \$9.00 per year over the first four years, while renewal fees would increase by an average of \$34.00 per year over that same timeframe.
5. The model inverts the historic fee structure, placing more of the onus to fund the program on renewal fees vs. application fees.
6. The model creates a lower application fee for Group 1 and Group 1 Operator In Training applicants.
7. The model assumes that the number of applicants and renewals each year remains consistent with current actuals (374 apps and 1,784 renewals).
8. Once the program is fully funded in FY2022, the model assumes fees would increase by 2% (~\$3) per year in order to keep pace with inflationary costs.

## OpCert Fee Increases Phased In Over 4 Years

**Purpose:** To demonstrate what a phased-In fee increase could look like in order to fully fund the OpCert Program.

Revenue Needed to Sustain Program



### Fee Per Year

Category	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
G1 and G1-OIT Apps	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 60	\$ 62	\$ 64	\$ 66	\$ 68	\$ 70	\$ 72
G2-G4 Apps	\$ 50	\$ 56	\$ 61	\$ 67	\$ 72	\$ 78	\$ 80	\$ 82	\$ 84	\$ 86	\$ 88	\$ 90
Renewals	\$ 30	\$ 51	\$ 73	\$ 94	\$ 116	\$ 137	\$ 140	\$ 143	\$ 146	\$ 149	\$ 152	\$ 156

### Notes:

1. Wastewater Treatment Plant Operator Certification fees have been capped in statute at \$50 per application and \$30 per renewal since 1987.
2. Current fee revenue (~\$72,300) fails to recover the costs of the OpCert Program (~\$244,500) - a deficit of -\$172,200 per year.
3. Under this phased-in approach, the program would be fully funded in 4 years (2 biennia).
4. Under this approach, application fees would increase by an average of \$6.00 per year over the first four years, while renewal fees would increase by an average of \$21.00 per year over that same timeframe.
5. The model inverts the historic fee structure, placing more of the onus to fund the program on renewal fees vs. application fees.
6. The model creates a lower application fee for Group 1 and Group 1 Operator In Training applicants.
7. The model assumes that the number of applicants and renewals each year remains consistent with current actuals (374 apps and 1,784 renewals).
8. Once the program is fully funded in FY2024, the model assumes fees would increase by 2% (~\$3) per year in order to keep pace with inflationary costs.